

MEMORANDUM FOR: DDG

per our discussion about
FM chad - Casey Memo.
I sent this to him

1/11

Date

1206



12 JUL 82 14 152
Department of State

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FM AMEMBASSY MANILA

TO SECSTATE WASHDC IMMEDIATE 7210

SECRET SECTION 01 OF 03 MANILA 16933

NODIS

FOR ACTING SECRETARY STDESSEL

EA FOR ASST. SECRETARY HOLDRIDGE

INR FOR DIRECTOR MONTGOMERY

FROM AMBASSADOR ARMACOST

E.O. 12065: RDS-1,2 7/12/02 (ARMACOST, MICHAEL H.) OR-M
 TAGS: PEPR, PINS, PINT, RP, US
 SUBJECT: (S) ALLEGED DISTORTIONS IN CIA ANALYSES OF THE
 PHILIPPINES

1. (S- ENTIRE TEXT).

2. DURING HIS RECENT VISIT, SENATOR DANIEL INOUE (D -
 HAWAII) RAISED WITH ME SOME PERSONAL CONCERNS ABOUT
 ANALYSES OF THE PHILIPPINE SCENE, IMPLYING THAT REPORTS
 CIRCULATING IN WASHINGTON CONVEYED A DISTORTED PICTURE
 OF DEVELOPMENTS HERE.

HE ASKED, FOR EXAMPLE, WHETHER
 THERE WAS INDEED THIRTY PER CENT UNEMPLOYMENT IN METRO
 MANILA. WHEN I SUGGESTED THAT SOMEONE HAD PERHAPS CON-
 FUSED UNEMPLOYMENT IN METRO MANILA WITH UNDEREMPLOYMENT
 IN SOME OF THE COCONUT PRODUCING REGIONS, HE REACTED BY

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CLAIMING THAT A CIA REPORT REFERRED TO SUCH HIGH LEVELS OF UNEMPLOYMENT RPT UNEMPLOYMENT IN METRO MANILA. I EXPRESSED INTEREST IN SEEING SUCH A DOCUMENT, AND HE PROMISED TO MAKE ONE AVAILABLE TO ME. ON FRIDAY, JULY 9, HE LEFT WITH ME A PAPER ENTITLED "DOMESTIC INSTABILITY IN THE PHILIPPINES," WHICH I ASSUMED WAS THE CIA REPORT TO WHICH HE HAD REFERRED. IT WAS TYPED ON PLAIN BOND PAPER AND BORE ONLY THE TITLE AND THE DATE (JULY 2). THE ANALYSIS, WHICH STRUCK ME AS RATHER SPOTTY, INCLUDED SOME QUESTIONABLE STATISTICS (LIKE THE ONE NOTED ABOVE), AND CONVEYED AN OVERALL IMPRESSION OF DOMESTIC OPPOSITION TO THE MARCOS GOVERNMENT WHICH I CONSIDERED SOMEWHAT EXAGGERATED.

3. TO MY SURPRISE AND CHAGRIN, I WAS CALLED BY PRESIDENT MARCOS ON FRIDAY EVENING. HE SAID HE HAD SOME DISTURBING NEWS, AND PROCEEDED TO ASK WHETHER IN FACT IT WAS TRUE, AS HE HAD CONFIRMED TO HIS OWN SATISFACTION ON FRIDAY AFTERNOON (WHEN HE HAD A SECOND TETE-A-TETE WITH SENATOR INOUE) THAT CIA STUDIES CIRCULATING IN WASHINGTON PORTRAYED HIS GOVERNMENT IN AN UNFAVORABLE AND INACCURATE LIGHT. HE WENT ON TO EXPRESS HIS CONCERN THAT SUCH REPORTS MIGHT CREATE AN ENVIRONMENT IN WASHINGTON INHOSPITABLE FOR HIS STATE VISIT. I REPLIED THAT SENATOR INOUE HAD RAISED THIS MATTER WITH ME, AND THAT I WAS ALREADY LOOKING INTO IT. I ASSURED HIM, HOWEVER, THAT HE NEED HAVE NO CONCERN ABOUT THE RECEPTION THAT WOULD BE ACCORDED HIM DURING HIS STATE VISIT TO WASHINGTON. HE ASKED THAT I CHECK THE MATTER OUT AND GET BACK TO HIM.

1. ON FRIDAY EVENING [REDACTED]

[REDACTED] I VISITED SENATOR INOUE AT HIS HOTEL. WE QUICKLY ASCERTAINED THAT THE DOCUMENT IN QUESTION HAD NOT IN FACT

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BEEN PREPARED BY CIA, BUT HAD BEEN DRAFTED BY A STAFF MEMBER ON THE INTELLIGENCE COMMITTEE. THE SENATOR EXPLAINED THAT THE STAFF MEMBER HAD CONSULTED WITH OFFICIALS IN CIA AND HAD READ VARIOUS CLASSIFIED DOCUMENTS IN THE COURSE OF PREPARING THE REPORT, AND HE INDICATED THAT IT HAD BEEN SANITIZED IN COOPERATION WITH THE AGENCY. WE SUBSEQUENTLY CHECKED [REDACTED]

[REDACTED] THAT THIS CHARACTERIZATION WAS SUBSTANTIALLY CORRECT. ODO INVOLVEMENT WITH THE SENATOR'S STAFF, WE LEARNED, CONCERNED MUSLIM LEADERS AND RECENT MINDANAO ELECTIONS ONLY. THE AGENCY DID NOT IDENTIFY FOR US WHAT DOCUMENTS MAY HAVE BEEN MADE AVAILABLE TO THE COMMITTEE. THEY SUGGESTED THAT STATE ALSO MAY HAVE PREPARED CLASSIFIED BRIEFING PAPERS FOR HIS USE, BUT DID NOT KNOW THEIR SUBJECT NOR THEIR CONTENT. EVIDENTLY ODI WAS INVOLVED ON JULY 2 IN REVIEWING AN UNCLASSIFIED COPY OF THE PAPER WRITTEN BY THE SENATOR'S STAFF TO BE USED ONLY TO BRIEF OTHER STAFF MEMBERS IN HAWAII. AS A RESULT OF A SHORT DEADLINE, THIS REVIEW MAY HAVE BEEN LESS RIGOROUS THAN IT SHOULD HAVE BEEN. MAJOR PORTIONS OF THE DOCUMENT WERE DELETED AT ODI'S REQUEST, AND THE REMAINING MATERIAL EVIDENTLY WAS AUTHORIZED FOR USE ONLY BY THE SENATOR'S STAFF. NONETHELESS, THE RESULTING DOCUMENT WAS LESS THAN A BALANCED PIECE OF ANALYSIS. TO BE SURE, THE CONCLUSIONS REACHED AND THE GENERAL TONE OF THE PAPER REPRESENTED THE VIEWS OF THE STAFFER WHO PREPARED IT, AND NOT THE AGENCY. BUT THE SENATOR REGARDED THE PRODUCT AS INDICATIVE OF CIA VIEWS -- PERHAPS WITH SOME JUSTIFICATION IN VIEW OF EXTENSIVE CONTACT BETWEEN THE COMMITTEE STAFF AND AGENCY REPRESENTATIVES.

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5. ON JULY 12 I INDICATED TO THE PRESIDENTIAL APPOINTMENTS SECRETARY THAT I COULD PERHAPS SHED SOME FURTHER LIGHT ON THIS MATTER, AND WAS IMMEDIATELY GIVEN AN APPOINTMENT WITH THE PRESIDENT. I INFORMED THE PRESIDENT

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S E C R E T SECTION 02 OF 03 MANILA 16933

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FOR ACTING SECRETARY STOESEL

EA FOR ASST, SECRETARY HOLDRIDGE

INR FOR DIRECTOR MONTGOMERY

FROM AMBASSADOR ARMACOST

THAT THE DOCUMENT WHICH SENATOR INOUE PRESUMABLY HAD MENTIONED TO HIM TURNED OUT, ON CAREFUL EXAMINATION, NOT TO BE A PRODUCT OF THE CIA, BUT A DRAFT PRODUCED BY A MEMBER OF THE SENATOR'S STAFF. I ACKNOWLEDGED THAT HE HAD SPOKEN WITH MEMBERS OF THE INTELLIGENCE COMMUNITY AND MAY EVEN HAVE READ SOME DOCUMENT WHICH HAD NO GENERAL CIRCULATION, ENJOYED NO STATUS IN THE EXECUTIVE BRANCH, AND WAS DESIGNED FOR THE PERSONAL USE OF THE SENATOR IN CONNECTION WITH HIS TRIP TO THE PHILIPPINES. I ASSURED HIM AGAIN THAT HE NEED HAVE NO CONCERN THAT A DOCUMENT OF THIS SORT WOULD IN ANY WAY AFFECT HIS RECEPTION IN WASHINGTON.

6. I WENT ON TO NOTE THAT HIS GOVERNMENT DOES CONFRONT A PROBLEM ON THE HILL. THIS, I SAID, REFLECTED PERCEPTIONS THAT ARE HEAVILY SHAPED BY PRESS REPORTING, AND BY THE ACTIVITIES OF THE PHILIPPINE COMMUNITY IN THE U.S. I

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ADDED THAT THE PHILIPPINE EMBASSY ITSELF HAS MADE NO GREAT EFFORT IN RECENT YEARS TO PRESENT THE VIEWS OF THE PHILIPPINE GOVERNMENT TO THE CONGRESSMEN AND SENATORS, LET ALONE TO THEIR STAFFS, IN A MORE FAVORABLE LIGHT.

7. THE PRESIDENT LISTENED TO MY VIEWS ATTENTIVELY. WHEN I FINISHED, HE OFFERED LITTLE DIRECT COMMENT, THOUGH HE DID NOT ACQUIESCENCE WITH MY CHARACTERIZATION OF THE DIFFIDENT PERFORMANCE OF THE PHILIPPINE EMBASSY PRIOR TO KOKOY ROMUALDEZ'S DESIGNATION AS AMBASSADOR.

8. HIS SUBSEQUENT RESPONSE WAS RATHER ELIPTICAL. HE REFERRED TO PROBLEMS EXPERIENCED IN 1977 WHEN HE CLAIMED A RAND CORPORATION STUDY (DIRECTED I BELIEVE BY A PROFESSOR KLOSTERMAN) REACHED CONCLUSIONS ABOUT PHILIPPINE LAND REFORM PROGRAMS WHICH THE GOP HAD FOUND BOTH INTELLECTUALLY UNJUSTIFIABLE AND POLITICALLY OBNOXIOUS. HE CLAIMED THAT THE STUDY HAD RESULTED FROM MEETINGS AND SEMINARS HELD IN THE PHILIPPINES IN WHICH EMBASSY REPRESENTATIVES HAD PARTICIPATED. HE ADDED THAT THE REPORT, WHEN FILED IN WASHINGTON, GENERATED UNDESIRABLE, AND, IN HIS JUDGMENT, UNWARRANTED CRITICISM FROM CONGRESS, AND LAMENTED THE FACT THAT THE STATE DEPARTMENT HAD NEVER EVEN INFORMED THE GOP OF THE STUDY.

9. HE THEN REFERRED TO REPORTS THAT IN RECENT MONTHS HE HAD HEARD THAT THE EMBASSY MIGHT BE ENCOURAGING SEMINARS WHICH WERE PROBING SUCH SENSITIVE QUESTIONS AS HIS OWN HEALTH AND VARIOUS SCENARIOS FOR SUCCESSION, SUGGESTING THAT SUCH REPORTS -- EVEN IF UNTRUE -- HAD THE EFFECT OF ENCOURAGING SPECULATION ABOUT FUTURE INSTABILITY IN THE COUNTRY.

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10. I INQUIRED AS TO WHEN AND WHERE AND UNDER WHOSE AUSPICES SUCH ALLEGED SEMINARS WERE SUPPOSED TO HAVE TAKEN PLACE. HE ANSWERED THAT HE UNDERSTOOD THAT PROFESSOR SCALAPINO HAD BEEN INVOLVED. I EXPLAINED THAT PROFESSOR SCALAPINO HAD BEEN A RECENT VISITOR IN MANILA AND LIKE ALL GOOD ACADEMICS ENJOYED STIMULATING DISCUSSION ABOUT MATTERS OF POLITICAL INTEREST. I ADDED THAT SCALAPINO IS A HIGHLY-RESPECTED MEMBER OF THE ACADEMIC PROFESSION WHO ENJOYS A WELL-DESERVED REPUTATION FOR HIS INDEPENDENT THINKING AND HIS CONSERVATIVE VIEWS, AND WHO SPEAKS ONLY FOR HIMSELF. THE PRESIDENT ACKNOWLEDGED THE POINT AND INDICATED THAT HE KNEW SCALAPINO AND SHARED A HIGH REGARD FOR HIS WORK. HE SAID THAT HE WAS MERELY CITING THIS AS EVIDENCE OF THE WAY RUMORS TRAVEL, FUELED PERHAPS BY THE DESIRE OF OPPOSITION ELEMENTS TO GENERATE THE IMPRESSION THAT THE DEMISE OF THE PRESIDENT WOULD BE FOLLOWED BY CONFUSION, A SETTING ASIDE OF CONSTITUTIONAL RULES OF SUCCESSION, AND PERHAPS AMERICAN INTERVENTION TO INFLUENCE THE OUTCOME. HE SAID WHILE OUR RELATIONSHIP HAS A DOMESTIC, EXECUTIVE-LEGISLATIVE DIMENSION IN WASHINGTON, IT HAS A COMPARABLE THOUGH NOT IDENTICAL DIMENSION IN THE PHILIPPINES. HIS INFERENCE WAS THAT SMALL AND INADVERTENT GESTURES BY THE EMBASSY COULD BE MISCONSTRUED OR MANIPULATED BY THE OPPOSITION FOR THEIR OWN PURPOSES.

11. I MADE CLEAR TO THE PRESIDENT THAT I COULD NOT STOP POLITICAL SCIENTISTS FROM SPECULATING ABOUT THE SUCCESSION, AND THAT ANY ATTEMPT TO DO SO WOULD BE COUNTER-PRODUCTIVE. I ASSURED HIM THAT THE EMBASSY WAS CERTAINLY DOING NOTHING

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NODIS

FOR ACTING SECRETARY STOESSEL

EA FOR ASST. SECRETARY HOLDRIDGE

INR FOR DIRECTOR MONTGOMERY

FROM AMBASSADOR ARMACOST

TO ENCOURAGE SUCH SPECULATION, AND THAT HE SHOULD NOT
INTERPRET OUR PRACTICE OF PRESERVING CONTACTS WITH A
WIDE SEGMENT OF PHILIPPINE SOCIETY AS NOTHING MORE THAN
THE STANDARD OPERATING PROCEDURE OF THE EMBASSY. HE
SEEMED SATISFIED, AND ESSENTIALLY LET THE MATTER DROP.

12. COMMENT. THIS WAS A REGRETABLE INCIDENT. UNWITTING-
LY, SENATOR INOUE PLACED ME [REDACTED] IN AN
AWKWARD POSITION. THIS ESPECIALLY PAINS ME IF THE MALE-
FACTOR WAS A MEMBER OF THE INTELLIGENCE COMMITTEE STAFF.
PRESIDENT MARCOS' DECISION TO RAISE THIS DIRECTLY WITH ME
MAY HAVE BEEN FUELED BY A CERTAIN PARANOIA ABOUT OPPO-
SITION TO HIS REGIME IN THE U.S. AND AS A SHREWD MANIPU-
LATOR, HE MAY HAVE SEEN AN OPPORTUNITY TO PUT THE EMBASSY
A BIT ON THE DEFENSIVE IN OUR REPORTING. THE RUMORS
ABOUT SCALAPINO'S ACTIVITIES UNDERSCORE THE SENSITIVITY
OF THE PRESIDENT AND SOME OF HIS ADVISERS. HE DID RAISE

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QUESTIONS ABOUT THE SUCCESSION. I DID HOST A DINNER FOR HIM. KIT TATAD, A MEMBER OF THE MODERATE OPPOSITION WAS PRESENT, BUT SO, TOO, WERE MEMBERS OF THE MALACANANG STAFF. THERE WAS NO GENERAL DISCUSSION EITHER BEFORE DINNER OR AT THE TABLE. BUT OTHER HINTS HAVE APPEARED THAT SEVERAL PRESIDENTIAL ADVISERS -- E.G. ADRIAN CRISTOBAL AND DR. HAZEL GACUTAN -- ARE SUSPICIOUS OF ANY QUERIES ABOUT SUCCESSION, AND REGARD THEM AS EVIDENCE THAT THE USG MAY BE POSITIONING ITSELF TO INFLUENCE A SUCCESSION STRUGGLE. AT LEAST FOR NOW, I THINK I HAVE LAID THE MATTER TO REST BY CLARIFYING THE EPISODE IN A FASHION WHICH I TRUST ALLAYED SUSPICIONS OF BIASED REPORTING, OR MISLEADING DOCUMENTS DISTRIBUTED BY THE INTELLIGENCE COMMUNITY, WITHOUT ENCOURAGING ANY BELIEF ON MARCOS' PART THAT WE WILL CIRCUMSCRIBE THE NORMAN CONTACTS THE EMBASSY MAINTAINS. I REQUEST, HOWEVER, THAT WASHINGTON TAKE ANOTHER LOOK AT PROCEDURES FOR HELPING PREPARE AND REVIEWING DOCUMENTS OF THE SORT THAT CREATED THIS MISCHIEF.

13. DEPT PASS TO CIA DIRECTOR CASEY.
ARMACOST

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